

**Comments of Tim Lake**  
**President and CEO of the Monroe County Business Development Corporation**  
**& Tracy Oberleiter**  
**Chair of the Monroe County Economic Development Corporation**  
**Senate Energy and Technology Committee**  
**April 28, 2016**

Good afternoon, Chairman Nofs, Vice Chairman Proos, Vice Chairman Hopgood and members of the distinguished committee. My name is Tim Lake, President and CEO of the Monroe County Business Development Corporation. I am joined by my good friend and colleague, Tracy Oberleiter, Chair of the Monroe County Economic Development Corporation.

Thank you for allowing us to be here today to testify in support of Senate Bills 437 and 438. Our groups represent manufacturers in Monroe County whose success is dependent upon affordable, reliable energy. Michigan's economy has taken tremendous strides forward in recent years, with Michigan ranking first in the U.S. for growth in manufacturing jobs four years in a row. However, without stable, responsible energy policy, we risk taking major steps back.

With a capacity shortfall on the horizon, new energy legislation in Michigan is imperative. Although our groups previously advocated for a fully-regulated electric market, Senate Bills 437 and 438 address some of the fundamental issues with Michigan's partial deregulated market structure. Proper capacity planning should not be a question mark.

We believe it is critical that all energy providers are responsible for reliability and that everyone pays their fair share of the cost for that reliable supply. Senate Bills 437 and 438 put in place new safeguards to address this planning gap and ensure affordability. By holding all utilities and alternate energy suppliers accountable for providing enough energy to meet their customers' electric demand, the legislation guarantees reliability for everyone.

As Michiganders and elected officials in a proud manufacturing state, you understand the economic impact that compromised reliability and affordability can have on manufacturing. Just one glitch in electric reliability has huge impacts on production. Disruptions in electric reliability translate directly into complete disruption of manufacturing. Dependable, consistent energy is essential to the success of my customers.

Senate Bills 437 and 438 also pave the way for billions of dollars of investment by local utilities. Right now, Michigan's energy future is at a critical turning point. Michigan's generation fleet is transforming from primarily coal to natural gas and renewables to meet environmental regulations. Significant investment in the state's energy infrastructure presents a huge opportunity moving forward for all of Michigan's hardworking businesses and families. When utilities invest, they invest

with local suppliers and businesses. Local businesses benefit, my county benefits and all of Michigan benefits.

Tracy Oberleiter, Chair of the Monroe County Economic Development Corporation also has some comments to make.

Thanks Tim. First and foremost, both Tim and I understand firsthand the impact of the transformation of Michigan's electric generation fleet. To many, reliable electricity is an afterthought. Even with discussion of a diminishing reserve margin and looming capacity shortfall, many Michiganders remain unfazed. That's because stable electricity is something we have come to expect. The Legislature needs to pass a Michigan first plan to continue this trend. Reliable, affordable electricity is paramount to driving our state forward as we continue an economic rebound.

Tim and I both served on a decommissioning committee for Consumers Energy's J. R. Whiting Plant located in our community. That plant retired due to age and environmental requirements in April of 2016. As you can imagine, this had a significant impact to our community.

When Whiting went off the grid, we lost a significant portion of our local tax revenue. While this loss impacted our community, Consumers Energy was with us every step of the way to ensure the retirement didn't put people out of work or leave an empty hole where the coal plant once stood. We also recognize the retirement presents the opportunity for billions of dollars in investment in the state and to upgrade and build clean energy infrastructure – hopefully new generation we would welcome to our area. The income and jobs Michigan-based energy suppliers have provided to our area has been unparalleled.

Now is the time to determine the next steps in supporting Michigan's economic growth. Michigan's families and businesses deserve reliable, affordable and clean energy. To secure its energy future, we need to pass legislation that puts Michigan first, paving the way for billions of dollars of investment in the state's electric infrastructure. With the right energy policy in place, Michigan's economic future is bright.